

Coal Impact grant applications are available in Microsoft Word format and may be downloaded from the Board's website: http://comdev.mt.gov/CDD_CB.asp

INSTRUCTIONS FOR COMPLETING THE COAL IMPACT GRANT FULL APPLICATION

CERTIFICATION

The chief elected official or executive officer of the applicant must sign the application certifying that to the best of the official's knowledge and belief, the information provided in the full application and the attached documents is true and correct.

The chief elected official or executive officer of the applicant must also certify that, in accordance with 90-6-205, MCA, the applicant is eligible for Coal Board Grants and has the authority to administer and make expenditures to provide for the proposed government service or facility.

SUMMARY INFORMATION

1. **NAME OF APPLICANT(S)**: (Same as shown on the pre-application.)
2. **TYPE OF ENTITY**: (Same as shown on the pre-application.)
3. **FEDERAL TAX ID NUMBER** (If applicable):
4. **TYPE OF PROJECT**: (Same as shown on the pre-application.)
5. **NAME OF PROJECT**: (Same as shown on the pre-application.)
6. **AMOUNT OF COAL IMPACT GRANT REQUESTED**:

Please respond to the applicable questions below.

A. **PROJECT FUNDING STRATEGY**. Proposed project funding sources as previously described in the Pre-Application: Some of the following questions may not apply to your project. If that is the case, indicate "Not Applicable" on the application. **(If necessary, submit an updated Funding Sources Summary.)**

1. What are the conditions on the use of each source of funds? (*For each source of funds include:
total amount, whether a grant or loan, the type of instrument used to obtain a loan (for example, revenue bond), rate and terms of the loan, specific conditions or other program requirements that would affect when funds would be obtained and used, ineligible expenses, etc.*)
2. When will each source of funds listed be available (month and year)? (*For each source of funds
provide any key dates that would affect when funds would be available, for example: when an application would be submitted, when funding would likely be approved, when*

the funds would likely be available to the applicant, whether interim funds are likely to be used, etc.)

3. If a particular proposed source of funding is not obtained, how will the applicant proceed?

Explain how the funding strategy will change if each proposed funding source is not received. *(Discuss how the loss of each of the proposed funding sources would impact the completion of the project. For instance, will the applicant wait and re-apply to the funding source, will the applicant be willing to increase the amount of debt it will incur, or will the project not move forward?)*

B. APPLICANT FINANCES

What are your current assets? *(List all current assets including endowments, cash, investments, certificates of deposit, accounts receivable, and any other current assets not specifically indicated. Indicate whether assets are obligated for a specific purpose and what that purpose is (i.e., Certificate of Deposit, \$100,000 - reserve requirement for SRF loan; Investments, \$200,000 – \$100,000 of it is needed to purchase line inspection equipment in 2005).*

C. PROJECT BUDGET

1. Project budget form: **(An example is presented on page 3.)**

The proposed project budget must include a breakdown of all major project costs, and a description

of the sources and uses of all funds. The total budget of any proposed project should be designated

as either "Administrative/Financial Costs" or "Activity Costs" (such as engineering or construction).

Refer to the description of expenditure categories shown below that outline the different expenditures that may be part of the budget.

The administrative/financial costs cover the costs of implementing a local project, including the cost

of local government personnel involved with managing the project; the cost of the local project audit; and other contractual costs for professional services (such as hiring a project manager) that may be associated with administration of the program.

Administrative/financial costs must be appropriate to ensure cost-effective management of the project being undertaken. Any proposed administrative/financial costs must be eligible, fully supported, and

explained. Applicants, which propose to contract for project management assistance with a consultant

or other entity, must specifically itemize this amount in the administrative budget and explain it.

EXAMPLE OF A COMPLETED PROJECT BUDGET

Completed by: John Smith, Project Manager For: Your Town, Montana Date: 3/30/2005

ADMINISTRATIVE/ FINANCIAL COSTS	SOURCE: TSEP	SOURCE: *RD Loan	SOURCE: *RD Grant	SOURCE: City	TOTAL
Personnel Costs	\$5,000				\$5,000
Office Costs					0
Professional Services	10,000	\$10,000	\$10,000		30,000
Legal Costs		500	500		1,000
Audit Fees	1,000	1,000	1,000		3,000
Travel & Training	500				500
Loan Origination Fees					0
Loan Reserves					0
Interim Interest		40,000			40,000
Bond Cost		10,000	10,000		20,000
TOTAL ADMINISTRATIVE/ FINANCIAL COSTS	\$16,500	\$61,500	\$21,500		\$99,500
ACTIVITY COSTS:					
Land Acquisition	\$20,000				\$20,000
Preliminary Engr/Arch				\$10,000	10,000
Final Engineering Design	60,000	\$20,000	\$20,000	40,000	140,000
Construction Inspection		40,000	40,000		80,000
Construction	300,000	400,000	400,000	200,000	1,300,000
Contingency	30,000	40,000	40,000	20,000	130,000
TOTAL ACTIVITY COSTS	\$410,000	\$500,000	\$500,000	\$270,000	\$1,680,000
TOTAL PROJECT COSTS	\$426,000	\$561,500	\$521,500	\$270,500	\$1,779,500

This example is a sample that can be expanded to include other sources such as the Coal Board.

* The RD referred to is the U.S.D.A. Rural Development Program.

EXAMPLES OF BUDGET EXPENDITURE CATEGORIES

Administrative/Financial Costs

Administrative Costs - Appropriate costs for personnel, professional services to administer the project, office rent, office equipment, supplies, telephone, postage, travel, audit fees, legal costs including bond counsel, etc. These are costs incurred by the borrower in administering the project. (As applicable, specify each one as a separate line item.)

Financial Costs - Loan origination and administrative fees, debt service reserves, capitalized interest. (As applicable, specify each one as a separate line item.)

Activity Costs

Land Acquisition - Cost of land purchase, easements, right-of-way, leases, etc.

Preliminary Planning/Engineering - Costs associated with, but not limited to, preparation of preliminary engineering report and environmental checklist. (As applicable, specify each one as a separate line item.)

Final Architectural/Engineering Design - Costs for preparing approved project plans and specifications.

Project Inspection and Construction Management Fees - Costs for providing professional inspection and construction engineering services to ensure that the project is constructed according to approved plans and specifications.

Construction - Costs for project construction according to approved plans and specifications.

Contingency - Construction contingencies for public facility projects typically should not exceed or be less than ten percent of the estimated construction cost. Any deviation must be adequately justified.

2. Project Budget Narrative: The project budget form must be accompanied by a narrative justification for the specific proposed project construction activities and related administrative/financial costs. The cost estimates for each item in the proposed budget must be explained in the narrative.

An example of a completed budget narrative is presented below. (The example is a sample distributed by Montana's Treasure State Endowment Program (TSEP). The "RD" referred to is the U.S.D.A. Rural Development Program. Applicants can use these formats and adapt them for their Coal Board budgets and budget narratives.)

EXAMPLE OF COMPLETED BUDGET NARRATIVE ADMINISTRATIVE/FINANCIAL COSTS

Personnel Services

This will be used to pay the City Clerk for time spent on the project, calculated at the current rate of pay plus fringe, over the 24-month project duration. Only services performed for the project, such as financial and project record keeping that are beyond the normal duties of the position will be reimbursed under this budget item. Detailed time logs outlining specific tasks performed will be provided. Funds for this budget item will be provided by the TSEP grant since it is not RD eligible.

\$5,000

Professional Services	\$30,000
The City plans to procure the services of a project administrator to ensure that the project is implemented in accordance with TSEP and RD requirements. Funds for this budget item will be split between the TSEP grant and RD loan. These services will supplement the services provided by the City Clerk.	
Legal Costs	\$1,000
This amount will be used for legal fees related to the review of contracts, bid specifications and any other legal services associated with the land purchase and easement acquisition. Funds for this budget item will be provided from the RD loan.	
Audit Fees	\$3,000
\$3,000 is budgeted to meet the portion of the organizational audit that can be attributed to the project, in accordance with the State Single-Audit Act. Funds for this budget item will be split between the TSEP grant and RD loan.	
Travel & Training	\$500
Cost to attend the TSEP project administration training workshop and meetings related to the project.	
Interim Interest	\$40,000
This amount has been budgeted to cover the interest that will be paid on an INTERCAP interim loan that will be required because of RD funding. Funds for this budget item will be provided from the RD loan.	
Bond Cost	\$20,000
\$20,000 has been budgeted for the costs of bond counsel and issuance, which includes assistance from a financial advisor, bond counsel, bond printing, and registrar fees. Funds for this budget item will be provided from the RD loan.	
TOTAL ADMINISTRATIVE/FINANCIAL COSTS	\$99,000
Administrative/Financial costs represent five percent of the total project costs.	

ACTIVITY COSTS

Land Acquisition	\$20,000
Three easements are expected to be required at a total estimated cost of \$4,500. The remaining \$15,500 is the estimated cost to purchase the land for the site of the water treatment plant. The amount budgeted is for the actual acquisition itself. A separate amount is budgeted under the legal line item for legal services related to the acquisition. The amount budgeted for land acquisition will come from the TSEP grant since RD funds will not be available until the construction phase.	
Preliminary Engineering	\$10,000
The City incurred this amount in the preparation of the preliminary engineering report. This is an eligible source of match funds for the TSEP program.	
Final Engineering Design	\$140,000
Based on the engineering cost estimates in the preliminary engineering report, the total cost of preparing the final design is estimated at \$140,000. The amount budgeted for final engineering design will primarily come from the City and the TSEP grant since RD funds will not be available until the construction phase.	
Construction Inspection	\$80,000
Based on the engineering cost estimates in the preliminary engineering report, the total cost of construction inspection is estimated at \$80,000.	
Construction	\$1,300,000
Based on the engineering cost estimates in the preliminary engineering report, the total cost of constructing a water treatment plant is estimated at \$1,300,000.	
Contingency	\$130,000
Contingency funds are slightly less than ten percent of the total construction costs, because the project is well defined and is not likely to result in any unforeseen costs.	
TOTAL ACTIVITY COSTS	\$1,680,000
TOTAL PROJECT COSTS	\$1,779,500

D. **IMPLEMENTATION SCHEDULE.** Each applicant must submit an implementation schedule that describes the overall schedule for project completion. Following is a sample project implementation schedule that is based on quarterly milestones. Coal Impact grant applicants can modify this form to fit their proposed project's anticipated implementation schedule. **(An example of an Implementation Schedule is presented on the following page.)**

QUARTERLY PROJECT IMPLEMENTATION SCHEDULE
(Applicants can adapt this form for their projects.)

	2005	QUARTERS, 2006				QUARTERS, 2007			
TASK	4th	1st	2nd	3rd	4th	1st	2nd	3rd	4th
<u>PROJECT START UP</u>									
Sign contract with Coal Board.	X								
Conduct environmental review and cultural resource survey (if applicable).		X							
Secure approval of other funding.	X								
Submit progress reports and drawdown requests. (Progress reports quarterly if no draw is submitted).		X	X	X	X	X	X	X	X
<u>PROJECT DESIGN</u>	4th 2005	1st 2006	2nd	3rd	4th	1st 2007	2nd	3rd	4th
Advertise for and select engineer.		X							
Commence design.		X							
Complete project design.				X					
Prepare construction bid documents.				X					
Finalize acquisition				X					
<u>ADVERTISEMENT FOR CONSTRUCTION BIDS</u>	4th 2005	1st 2006	2nd	3rd	4th	1st 2007	2nd	3rd	4th
Review contract requirements.				X					
Public bid advertisement.					X				
Award contract to selected contractor.					X				
<u>PROJECT CONSTRUCTION</u>	4th 2005	1st 2006	2nd	3rd	4th	1st 2007	2nd	3rd	4th
Conduct pre-construction conference.					X				
Begin construction.					X				
Monitor engineer and other contractors.					X	X	X	X	X
Hold construction progress meetings.						X	X	X	X
Final Inspection.									X
<u>PROJECT CLOSE OUT</u>	4th 2005	1st 2006	2nd	3rd	4th	1st 2007	2nd	3rd	4th
Coal Board administrative staff conduct on-site monitoring of the project.					X		X		X
Submit project completion report.									X
Include project in audits (FY 2005, 2006)									X
Submit <u>final</u> closeout report									X

E. ADDITIONAL INSTRUCTIONS:

1. Projects also proposing to use CDBG, U.S.D.A. RD, RRGL, SRF, or TSEP funds must submit the Preliminary Engineering Report required by those programs as part of this Coal Impact Full Application. Likewise, projects proposing to use CDBG Program funds for a building project must submit the Preliminary Architectural Report required of CDBG grant applicants as part of this Coal Impact Full Application.
2. Applications for Assistance to Non-profit Entities Requirement (if applicable) – Public facilities projects that involve non-profit organizations as sub-recipients and that will be applying for CDBG funding must provide the same information regarding the non-profit organization and its finances.
3. The approval of a Pre-Application for consideration as a Full Application does not express or imply Coal Board final approval of any or all of the grant request.
4. Submit eight (8) copies of the Full Application and attachments, plus a copy of the Full Application on a computer disk (MS Word format).
5. Coal Board meetings are held quarterly. To be placed on a meeting agenda, completed Full Applications must be received the first of the month preceding the month of the meeting (e.g., quarterly meeting scheduled in June; applications are due May 1).
6. Return completed Full-Applications to: Ellen Hanpa, Program Assistant, Montana Coal Board, Dept of Commerce, 301 S Park Ave / P.O. Box 200523, Helena, MT 59620-0523 (phone: 406/841-2782; e-mail: ehanpa@mt.gov).
7. Applicants must be in compliance with auditing and reporting requirements provided for in 2-7-503 and 2-7-504, MCA, and must have an established financial accounting system that the department can reasonably ensure conforms to generally acceptable accounting principles. Tribal governments must comply with auditing and reporting requirements provided for in OMB Circular A-133.
8. Applicants must satisfactorily address any audit or monitoring findings directly related to previous grants awarded within the last five years.
9. Submit only the answers to the questions. Omit the accompanying narrative found in the instructions and the Application.

COAL IMPACT GRANT FULL-APPLICATION

COAL IMPACT GRANT FULL APPLICATION

Department of Commerce
Montana Coal Board
301 South Park Avenue
P.O. Box 200523
Helena, MT 59620-0523

Date:

Application #

(Assigned by Coal Board staff)

Pre-Application Approved:

(Date)

Certification

To the best of my knowledge and belief, the information provided in this application and in the attached documents is true and correct.

In accordance with section 90-6-205, MCA, the applicant is eligible for Coal Board grants and has the statutory authority to make expenditures to provide for the particular government service or facility.

Name:

Title:

Signature:

Date:

SUMMARY INFORMATION

1. Name of applicant:
2. Type of entity:
3. Federal tax ID number (if applicable):
4. Type of project:
5. Name of project:
6. Amount of Coal Impact Grant Requested:

In order to avoid unnecessary duplication, the applicant's previously submitted Pre-Application for Coal Impact assistance will be considered a supplement to this Full Application for Coal Impact assistance. In the event that any information contained in the Pre-Application has changed, the applicant must clearly describe the new or updated information in this Full Application and indicate the changes in bold type.

A. PROJECT FUNDING STRATEGY. Proposed funding sources as originally described in the Pre-Application: Some of the following questions may not apply to your project. If that is the case, indicate "Not Applicable" on the application. **If necessary, submit an updated Funding Sources Summary.**

1. What are the conditions on the use of each source of funds?
2. When will each source of funds listed be available (month and year)?
3. If a particular proposed source of funding is not obtained, how will the applicant proceed? Explain how the funding strategy will change if each proposed funding source is not received.

B. APPLICANT FINANCES

What are your current assets? (See instructions on page 2.)

C. PROJECT BUDGET

1. Project Budget Form (See instructions & example on page 3)
2. Project Budget Narrative (See instructions & example on page 5 & 6)

D. IMPLEMENTATION SCHEDULE (See Instructions & example on page 6 & 7)

E. ADDITIONAL INSTRUCTIONS

1. Projects also proposing to use CDBG, U.S.D.A. RD, RRGL, SRF, or TSEP funds must submit the Preliminary Engineering Report required by those programs as part of this Coal Impact Full Application. Likewise, projects proposing to use CDBG Program funds for a building project must submit the Preliminary Architectural Report required of CDBG grant applicants as part of this Coal Impact Full Application.

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8. Applicants must satisfactorily address any audit findings directly related to previous grants awarded within the last five years.

9. Submit only the answers to the questions. Omit the accompanying narrative found in the instructions and the Application.

PROJECT BUDGET

Completed by:

For:

Date:

ADMINISTRATION/FINANCIAL COSTS	SOURCE:	SOURCE:	SOURCE:	SOURCE: Loan/	SOURCE: Local reserves	TOTAL
Personnel Costs						\$0.00
Office Costs						\$0.00
Professional Services						\$0.00
Legal Services						\$0.00
Audit Fees						\$0.00
Travel & Training						\$0.00
Loan Origination Fees						\$0.00
Loan Reserves						\$0.00
Interim Interest						\$0.00
Bond Costs						\$0.00
TOTAL						
ADMINISTRATIVE/FINANCIAL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ACTIVITY COSTS						
Land Acquisition						\$0.00
Preliminary Engr/Arch						\$0.00
Final Engineering Design						\$0.00
Construction Inspection						
Construction						\$0.00
Contingency						\$0.00
						\$0.00
19. TOTAL ACTIVITY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
20. TOTAL PROJECT BUDGET	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00